



PRESS RELEASE

**FOR IMMEDIATE RELEASE
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Man who defrauded over 25,000 victims through “self-liquidating loan” scam sentenced to 41 months

PHOENIX, ARIZONA -- The United States Attorney’s Office for the District of Arizona announced that on May 8, 2003, the Honorable Judge Earl Carroll sentenced Ronald H. Brown, age 47, of St. George, Utah, to 41 months following his plea of guilty to one count of mail fraud in federal district court in Phoenix, Arizona.

Brown, through numerous sham entities, advertised fraudulent, non-existent “self-liquidating loans”, and “government cash” programs which he claimed required no repayment in numerous publications including the National Examiner, Globe International Inc. and Spare Time, or through direct mailings to the public. The inquiring victim individuals were then fraudulently induced to forward purported “application” fees ranging from approximately \$25 to \$115, depending upon the type of “loan” or other financial arrangement the individual sought. Upon receiving the victim’s initial “application” fee, Brown sent a second solicitation letter in which he fraudulently requested additional “processing” or other fees ranging from approximately \$135 to \$240. As part of the scheme, Brown created “booklets”, one which was essentially a Government Funding Assistance Directory, and the other which contained a compilation of

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financial material, including an article titled, "How to Prepare a Business Plan," various chapters from a book entitled, "How You Can Increase Your Wealth and Privacy Using Offshore Banks and Tax Havens," a list of offshore banks and their addresses, and copies of various tax forms. Upon receiving the victim's second purported processing fee, Brown sent one of the above referenced booklets, which included purported instructions to the victim on how to secure the "loans" and "government cash", as fraudulently advertised. Such instructions required that letters be written to various banks and government agencies listed therein in order to secure the loans and government cash. As part of the scheme, Brown offered to have the sham companies' "attorney" prepare these letters for victims, for fees ranging from approximately \$95 to \$150. Not all victim individuals who sent the second processing fee received a booklet.

To carry out his scheme, Brown opened a number of post office and mail boxes through which his sham entities collected the victim's funds. Defendant defrauded over 25,000 victims throughout the United States and obtained over \$3,000,000.00 in proceeds from his fraudulent schemes. Over \$1,000,000 in cash was seized from Brown's home which will likely be used for restitution to the victims who can be located.

Defendant was ordered to pay a \$75,000 fine and will be placed on supervised release for a period of three years following service of his sentence. He is to self-surrender to the designated corrections facility by June 2, 2003.

The investigation in this case was conducted by Steve Belongia of the Federal Bureau of Investigation.

The prosecution was handled by Ashley Adams-Feldman, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-02-601 PHX-EHC
RELEASE NUMBER: 2003-081

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